

**THE COUNTY BULLETIN  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 292, Page 1**

**January 1993**

**REMINDER OF ORDER OF BUSINESS**

**January**

- 1 Happy New Year! - Legal Holiday (IC 1-1-9-1)
  
- 12 Township boards meet to consider 1992 Annual Reports of township trustees - second Tuesday after the first Monday (IC 36-6-6-9)
  
- 15 "Assessment Date" for mobile homes as defined in IC 6-1.1-7-1. (IC 6-1.1-1-2)  
  
Last date to make pension report and payment for fourth quarter of 1992 by counties participating in Public Employees' Retirement Fund.
  
- 18 Legal Holiday - Dr. Martin Luther King, Jr. Day (IC 1-1-9-1)
  
- 20 Last date to report and make payment of State Income Tax withheld in December to Indiana Department of Revenue. (IC 6-3-4-8.1)
  
- 22 Last day township trustees to file annual reports and vouchers with County Auditor. [IC 36-6-4-12(d)]
  
- 25 Make distribution of interest on congressional and cemetery funds - last Monday in month. (IC 21-1-1-54) (IC 23-14-29-4)
  
- 30 File 1992 Annual Financial Report with State Board of Accounts.
  
- 31 Last day to file Form 100-R, Report of Names and Compensation of Officers and Employees with the State Board of Accounts. (IC 5-11-13-1)  
  
Last date to file quarterly unemployment compensation report with the Indiana Employment Security Division.

**February**

- 12 Legal Holiday - Lincoln's Birthday (IC 1-1-9-1)
  
- 15 Last date for County Highway Annual Operational Report to be filed with State Board of Accounts and other governmental agencies. (IC 8-17-4.1-7)

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**REMINDER OF ORDER OF BUSINESS  
(Continued)**

**February** - Continued

- 15      Legal Holiday - Washington's Birthday (IC 1-1-9-1)
- 20      Last date to report and make payment of State Income Tax withheld in January to Indiana Department of Revenue. (IC 6-3-4-8.1)

**March**

- 1      Annual Assessment period begins, except mobile homes.  
  
First day for filing applications for property tax exemptions and deductions (for taxes payable in 1994).  
  
Township trustees file reports of condition of the dog fund with County Auditor. (IC 15-5-9-10)
- 8      Distribute dog funds to townships reporting unpaid claims - second Monday. (IC 15-5-9-10)
- 9      Last day to file claim for distribution of Excise Tax on Savings and Loan Associations with the Auditor of State. (IC 6-5-11-7)
- 20      Last day to report and make payment of State Income Tax withheld in February to Indiana Department of Revenue. (IC 6-3-4-8.1)

**MEETING ON LEGAL HOLIDAYS**

January 1, January 18, February 12, and February 15 are legal holidays. The board of county commissioners and the county board of finance may consider it undesirable to meet on a holiday and may wish to meet on the following day instead. It is our thought that actions taken at a meeting held on a legal holiday would be binding if there were no other legal disabilities connected with such actions. We do not believe, however, that any question should arise by reason of deferring administrative actions of the board until the next day. This is a matter we recommend be referred to the attorney that represents the county for his or her opinion and advice.

**LEGAL ADVERTISING FOR RECEIVING BIDS**

Whenever bids are to be received, a legal notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least ten (10) days before the date the bids will be received. (IC 5-3-1-2)

This requirement includes bids received for all supplies, goods, machinery and equipment to be purchased or leased, and public works.

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**RETAINAGE ON PUBLIC WORKS CONTRACTS**

The Indiana Code as found in IC 36-1-12-14 applies to public work contracts in excess of one hundred thousand dollars (\$100,000) for projects other than highways, roads, streets, alleys, bridges and appurtenant structures on streets, alleys and dedicated highway right-of-way.

A board that enters into a contract for public work shall include, in the contract, provisions for the retainage of portions of payments by the board to the contractor. The Board shall place the retainage in an escrow account, with a bank, savings and loan institution or the state as the escrow agent. The escrow agent shall be selected by mutual agreement between the board and contractor under a written agreement between the bank or savings and loan institution and the board. (The contractor is required to have a similar arrangement with subcontractors.)

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**RETAINAGE ON PUBLIC WORKS CONTRACTS (Continued)**

performance bond shall specify that a modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings or profile; a defect in the public work contract; or, a defect in the proceedings preliminary to the letting and awarding of the public work contract, does not discharge the surety.

The contractor shall be paid in full, including all escrowed principal and escrowed income, by the board and escrow agent, within sixty-one (61) days after the date of substantial completion. If within the provision for withholding 200% of the value of each is effected.

Actions against a surety on a performance bond must be brought within one (1) year after the date of the board's final settlement with the contractor.

**INHERITANCE TAX**

In accordance with the provisions of IC 6-4.1-9-7, the county treasurer shall on the first day of January, April, July, and October send a written inheritance tax report to the department of state revenue.

We cannot overemphasize the importance of filing these quarterly reports on a timely basis. IC 6-4.1-9-10 states: "If any inheritance tax revenues due the state ... are not paid to the department of state revenue within thirty (30) days after the date for payment prescribed in section 7 of this Chapter, the county treasurer who collected the tax revenues shall pay the state interest at the rate of ten percent (10%) per year on the tax revenues which have not been so paid. The county treasurer is personally liable for the interest payment required by this section."

**SOIL AND WATER CONSERVATION DISTRICTS**

It has been a practice in some few counties to pay claims for operating expenses of Soil and Water Conservation Districts. We know of no specific statutory authority for a county to pay this type of claims. Operating expenses of Soil and Water Districts should be paid by the district.

However, payroll and fringe benefits of Soil and Water District employees may be paid pursuant to the provisions of IC 13-3-1-7 and claims for grants of financial assistance may be paid to Soil and Water Districts pursuant to the provisions of IC 13-3-1-11 provided funds are appropriated for these purposes. The payment of payroll and fringe benefits and grants of financial assistance are up to local determination.

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**REPURCHASE AGREEMENTS**

Official Opinion No. 82-13 issued by the Attorney General on August 30, 1982, indicates that local units of government may invest any and all funds under their control in repurchase agreements in any financial institution under the provisions of IC 5-13-1-2: (Now IC 5-13-9-3)

1. Without regard to whether or not the financial institution is a duly designated depository.
2. Without regard to investing on a pro-rata basis.

We suggest you review this opinion with your county attorney and your local depositories. We would also suggest that you consider the uninsured nature of these investments.

**BOARD OF FINANCE - DATES FOR 1993**

The following dates are to be remembered in connection with the organization of the board of finance and the designation of depositories.

1. After January 4th but no later than January 18th Organization of County Board of Finance (IC 5-13-7-6)
2. After February 1st (February 2nd) but not later than February 15th - Meeting of Board of Finance for purpose of designating depositories (IC 5-13-8-3)
3. Not less than 10 days before the date set for the meeting of the County Board of Finance notices shall be sent by certified or registered mail, return receipt requested, to each financial institution located within its territorial limit (IC 5-13-8-3)
4. Within 5 days before the date fixed for filing proposals, the president of the board of finance of every county may call a meeting of the authorized agents of all local boards of finance and all financial institutions with a principal office or branch located in the county. (IC 5-13-8-5)

**PENALTIES ON REAL ESTATE**

In the case of the Centrium Group v. the State Board of Tax Commissioners, et al. (242 Ind. 599 North Eastern Reporter, 2d Series) the purchaser of real property sought review of the final determination of the State Board of Tax Commissioners which denied the purchaser's request for a refund of penalties for delinquent property taxes. The Tax Court held that due process did not require the county auditor to look beyond her own records to find the purchaser's correct address which would have enabled mailing of the tax statements to the purchaser, even if the county auditor could have determined the correct address with minimal effort from outside information.

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**TAXATION EXEMPTION AND DEDUCTION FEES**

There has been confusion in some counties concerning the fees to be charged for filing exemptions and deductions.

The filing fee of an exemption on certain types of property or the property of a certain kind of taxpayer which is not taxable is two dollars (\$2) as provided by IC 6-1.1-11-10.

The filing of a deduction is when a taxpayer is permitted to subtract a fixed dollar amount from the assessed value of this property such as a mortgage or contract deduction. This fee is one dollar (\$1) as provided by IC 6-1.1-12-8.

**REPORT OF NAMES, ADDRESSES, DUTIES  
AND COMPENSATION OF PUBLIC EMPLOYEES**

All counties must file with the State Examiner, State Board of Accounts, 302 West Washington Street,

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**COMPENSATION FROM TITLE IV-D INCENTIVE FUNDS (Continued)**

Based on the two above cited code sections and the case of Plummer v. Hegel, it is the audit position of this department that deputies and employees in the offices of the prosecuting attorney and the clerk of the circuit court could be paid additional salary from Title IV-D Incentive Funds without prior approval of the county council. However, this additional compensation must be paid as an increase in salary. We know of no authority for either the prosecuting attorney or the clerk of the circuit court to pay bonuses to deputies and employees from Title IV-D Incentive Funds or any other funds.

**1993 SOCIAL SECURITY WAGE BASE TO INCREASE**

The maximum earnings subject to the social security tax and Medicare will increase for 1993 as shown in the following schedule:

Maximum earnings subject to Social Security	\$ 57,600
Maximum earnings subject to Medicare	\$ 135,000

FICA tax rates will remain at 1992 levels which are:

Social Security Rate (OASI)	6.20 %
Medicare Rate (HI)	<u>1.45 %</u>
Total Withholding Rate	<u>7.65 %</u>

The Internal Revenue Service hot-line for questions on reporting Social Security Wages is 304-263-8600.

**\*\*\*\*REMINDER - COUNTY HIGHWAY ANNUAL OPERATIONAL REPORTS**

Section I, page 3 of the Financial Statements requires disbursements for All Other Funds for Highways, Streets, or Bridges\*\* and it is noted to prepare separate schedules for each additional fund such as General Fund, Cumulative Capital Improvement Fund, etc. This would include any disbursements made from **CAGIT** or **COIT** distributions or the **PAYMENT OF HIGHWAY SALARIES** within the General Fund. **It is very important that any CAGIT or COIT disbursements and Highway Salaries for Highways, Streets, or Bridges be included in this report.** If needed it is perfectly acceptable to attach additional sheets.